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# Agricultural Trade Highlights

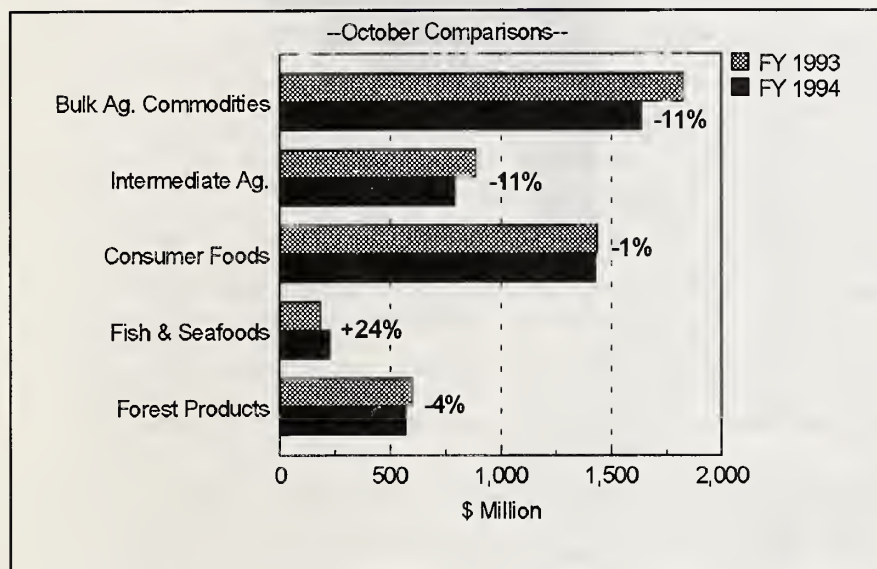
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## October Exports Drop 6 Percent

*Fiscal 1994 Off To Slow Start*



October trade statistics released on December 16 by the Commerce Department placed the value of U.S. *agricultural, fish and forest product* exports at \$4.7 billion, down six percent from the same month last year. Agricultural exports alone totaled \$3.9 billion, down seven percent from the same month last year due largely to 11 percent declines in both bulk and intermediate products. Exports of fish and forest products totaled \$803 million, up two percent from the same month last year.

Despite declines for the month, FAS projects U.S. agricultural, fish and forest product exports to reach \$53 billion in fiscal 1994 (October-September year), representing a new record high, exceeding 1993's record level by \$300 million. Higher consumer food and forest product exports should more than offset expected declines in bulk commodity exports.

At \$1.6 billion in October, U.S. exports of *bulk commodities* fell \$200 million from the same month in 1992. Double-digit declines for wheat, tobacco and soybeans more than offset export gains in coarse grains, cotton and rice. In fiscal 1994, bulk exports are projected at \$18.1 billion, down \$800 million due largely to a \$1.1 billion fall in wheat shipments.

U.S. exports of *intermediate products* reached \$794 million in October, finishing \$93 million below the same month a year earlier. Export gains for vegetable oils and sugars and sweeteners were offset by double-digit declines in planting seeds, soybean meal, feeds and fodders, live animals, and hides and skins. In fiscal 1994, exports are forecast to remain flat at \$9.2 billion.

At \$1.4 billion in October, U.S. exports of *consumer-oriented products* were virtually unchanged from October 1992. Categories showing export gains included poultry meat (up \$21 million),

snack foods (up \$17 million), tree nuts (up \$11 million), prepared red meats and pet foods. Large decreases were recorded for chilled or frozen red meats (down \$40 million) and dairy products (down \$38 million). The projection for fiscal 1994 shows consumer-oriented products gaining \$800 million to reach \$15.4 billion, a new record high.

At \$230 million, U.S. *edible fish and seafood* exports were up \$44 million from October 1992 led by gains in surimi (up \$45 million) and crabmeat (up \$10 million). Fiscal 1994 exports are projected to reach \$3 billion, up \$100 million from 1993's level.

*Forest product* exports (excluding pulp and paper) fell to \$573 million in October, down \$28 million from a year ago. Despite the sluggish start, U.S. exports in fiscal 1994 are projected to rise three percent to \$7.5 billion, a new record high.

In agricultural products, trade with the top ten markets was mostly down for October, with only three countries advancing and seven countries falling from year-earlier levels. Japan and the former Soviet Union each gained \$65 million while exports to the EC fell \$200 million from October 1992 levels.

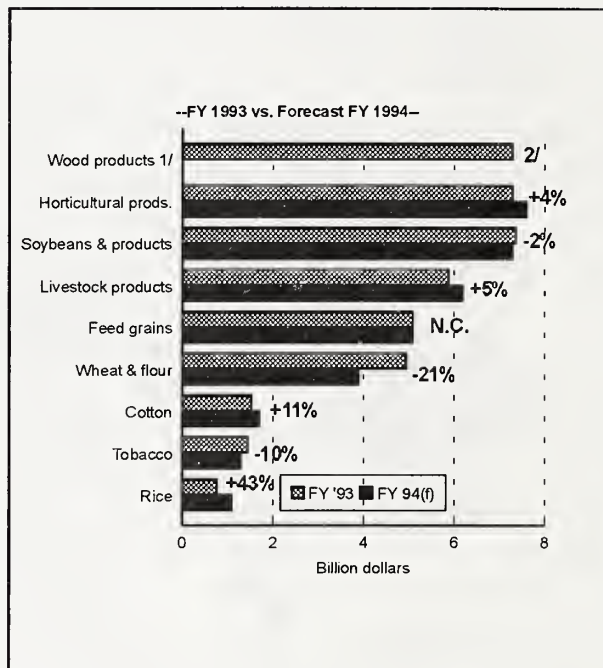
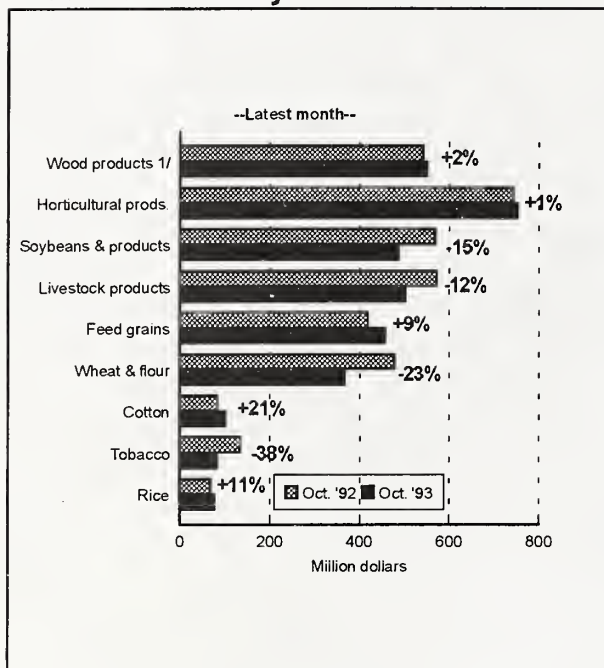
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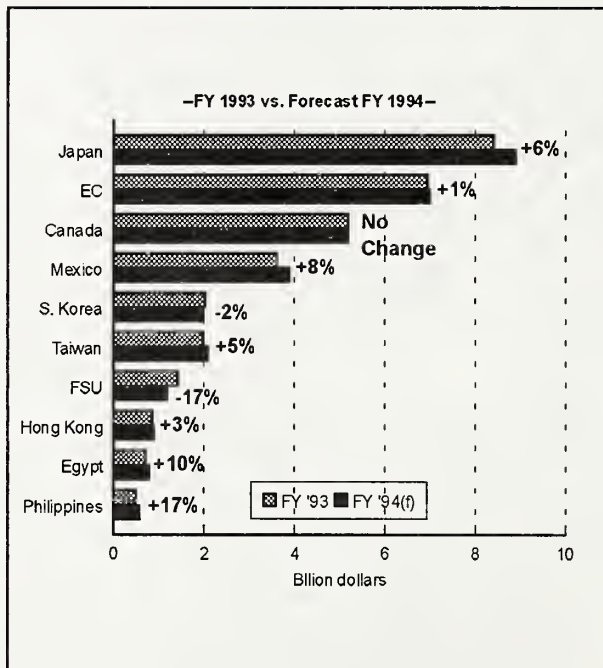
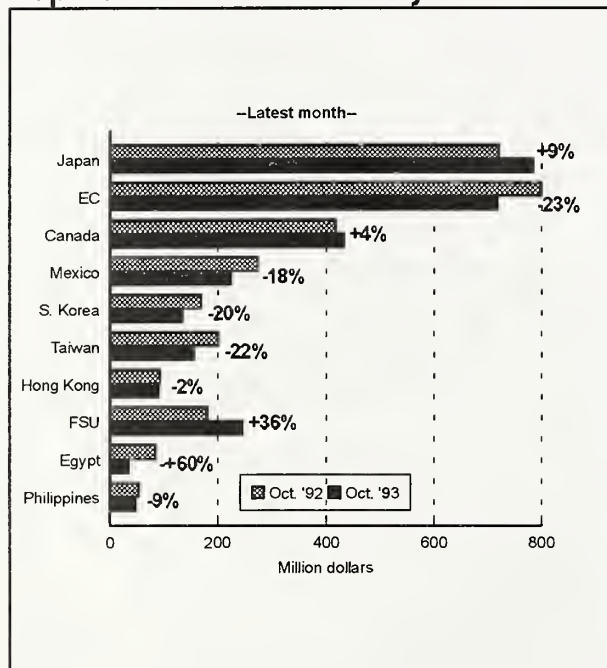
# U.S. Agricultural Export Summaries

## October-September and Latest Month Comparisons

### Product Summary



### Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.  
1/ Not included in agricultural totals.



# Consumer Food Highlights

*At \$1.4 billion in October, U.S. consumer food exports were virtually unchanged from the same month a year earlier. During the first ten months of calendar 1993, U.S. consumer food exports reached \$12.2 billion, six percent above the same period last year. Year-to-date gains have been broad-based, with pet foods, breakfast cereals and snack foods climbing most rapidly on a percentage basis, and snack foods, poultry meat and fresh fruit rising by the largest dollar amount.*

**I**n October, chilled/frozen red meat shipments totaled \$250 million, 14 percent lower than year-earlier levels. This brings year-to-date sales to \$2.5 billion, down 2 percent from the same period last year. Beef exports to Japan, the U.S.' largest market, are running 7 percent ahead of a year ago, as U.S. firms benefit from tariff reductions earlier in the year. However, beef sales are down by \$102 million to Mexico this year due to the imposition of 20-25 percent tariffs on imported beef. Fewer beef tenders in South Korea have also negatively impacted U.S. exports, contributing to a 25-percent decline from sales last year.

October's exports of *processed fruits and vegetables* totaled \$154 million, or three percent lower than the same month last year. This raises year-to-date sales to \$1.4 billion, an increase of 4 percent over the same period last year. Sales of processed vegetables show particular strength, with tomato pastes and other tomato-based products, frozen french fries, canned sweet corn, frozen mixed vegetables and dried soup broths each posting gains of 12-20 percent.

*Fresh fruit* shipments in October were \$151 million, unchanged from the level of October 1992. This brings year-to-date sales to \$1.4 billion, 2 percent below last year. Sales of citrus fruit, the largest component of the U.S.' fresh fruit exports, fell by 2 percent to \$531 million. Among deciduous fruits, lower apple shipments to Taiwan and the EC accounted for a significant portion of the slump in those markets; this trend will likely continue in fiscal 1994, as the level of last year's apple shipments is not expected to be sustainable in the near term.

*Snack food* exports continued to shine, reaching \$107 million in October, or nineteen percent above the same month last year. So far this year, total sales have reached \$800 million, 21 percent ahead of a year ago. Salty snacks, which compose roughly a quarter of total U.S. snack food shipments, were up by \$41 million over the year-earlier, boosted by strong and broad-based growth to the Asian market, and a near doubling of sales to Australia. Sweet snack exports grew by 20 percent, with gains of \$40 million and \$27 million respectively in Canada and the former Soviet Union (principally the Russian Federation).

U.S. *pet foods* performed well in all top five markets in October, climbing 20 percent above last year's level to reach \$48 million. Following the upward trend of several years, sales during the first ten months of the year are running 25 percent ahead of the same period last year and, at \$403 million, have already set a new record high, primarily on rising sales to Canada, Japan and the EC. Retail dog and cat food, which is the major component of this product group, was \$40 million above last year's level of \$210 million.

In October, *dairy products* were down 36 percent to \$66 million. However, compared to the first ten months of 1992, 1993 sales are up 6 percent to \$691 million. This gain has been fuelled by a \$45 million jump in bakers preparations and a \$31 million rise in dry whole milk and cream exports destined primarily for Mexico. On the minus side, sharply reduced sales of butter and milk fat to the former Soviet Union and slower sales to Eastern Europe have partly offset the otherwise strong performance of U.S. dairy exports.

At \$38 million in October, *fruit and vegetable juices* were five percent higher than year-earlier levels. These sales lifted year-to-date shipments to \$403 million, virtually unchanged from a year ago. Juice exports to South Korea grew by 42 percent so far this year, reflecting improved market access to the Korean market resulting from reduced phytosanitary barriers and lower tariffs. Concentrated apple and grape juice exports have continued to climb, particularly to Japan, so that sales of each are now roughly \$5 million above 1992's ten month mark.

October's exports of *nursery product and cut flowers* totaled \$14 million, or 13 percent below the same month last year. However, sharply higher shipments of cut decorative greens, particularly to the EC, boosted the cumulative total by 4 percent over last year's level. Higher European demand for inputs to flower bouquets this year comes despite that market's slow economy. Cut flower exports were ahead by \$6 million, while the third major product group, live plant exports, were down significantly as they were hit by a slump in demand for plants in commercial property in the Canadian market.

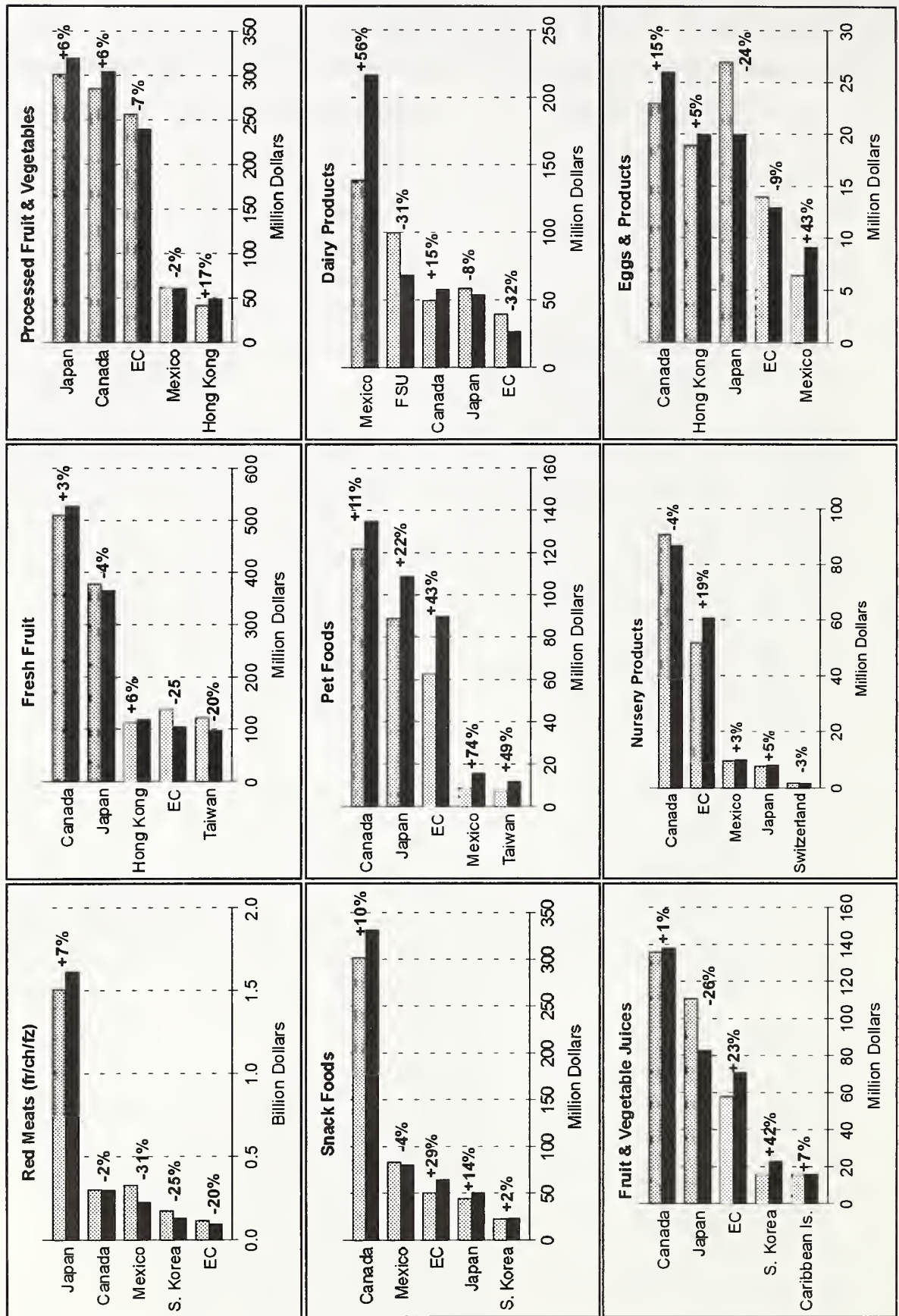
Exports of *eggs and products* fell 12 percent to \$14 million in October. At \$114 million, year-to-date sales were 2 percent lower than the same ten month period last year. Sharply higher sales of eggs in their shells was more than offset by lower exports of both processed eggs and derivative egg products containing albumin. The North American market showed the strongest gains, with exports to Canada and Mexico up 15 and 43 percent, respectively, so far this year. On the other hand, sales to Japan have slumped by 24 percent.

*For more information, contact Diane Dolinsky at (202) 720-6821.*

# Top Five Markets for Selected U.S. Consumer Foods

January through October Comparisons

■ 1992 ■ 1993



Note: Data are preliminary and are subject to change.



# Country Spotlight: Saudi Arabia

*U.S. agricultural exports to Saudi Arabia totaled \$460 million in 1992, making it the United States' twelfth largest market. Shipments of wood and seafood products brought the total to nearly \$500 million. The EC countries as a group is the largest supplier, accounting for one-third of Saudi agricultural imports and virtually half of the market for consumer foods. The United States is the second largest supplier having captured about 13 percent of the country's imports. The largest supplier of bulk commodities, the United States accounts for one-quarter of bulk sales, but its share of the market for high-value intermediate products and consumer foods is considerably smaller.*

Prior to the 1970s, Saudi Arabia was almost entirely dependent on imports to supply its domestic needs for food and other agricultural products. However, during the past two decades, the government's agricultural policies have significantly reduced the country's dependence on imported bulk and many intermediate high-value products. As a result, the market for consumer foods emerged as the area of greatest sales opportunity in the 1980s. From 1984 to 1992, consumer foods grew to \$2.3 billion, or nearly 60 percent of total agricultural imports. Today, Saudi Arabia's total imports of agricultural

products is valued at just over \$4 billion.

Saudi Arabia's consumer foods market is expected to offer good sales opportunities for overseas suppliers through the 1990s. Rising incomes and the changing structure and nature of food merchandizing are expected to spur sales. Saudi Arabia's per capita income is now officially estimated at about \$7,000, but World Bank estimates suggest that actual purchasing power is much higher. The Kingdom's GDP growth rate slowed to two percent in 1993, and is expected to remain weak in 1994. But robust growth, nearing an

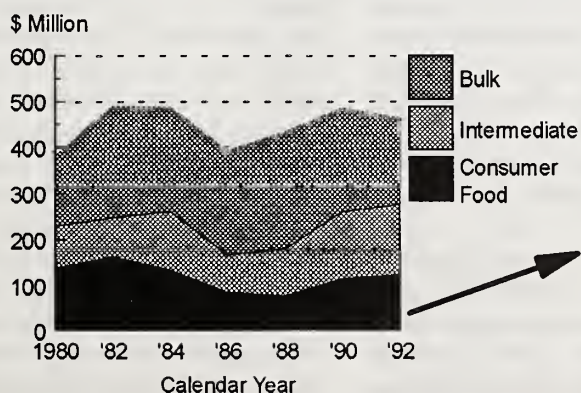
annual rate of six percent, is forecast toward the end of this decade assuming global oil prices strengthen. New opportunities for consumer food sales are also spurred by the modernization of distribution networks. The major ports are now equipped with large, modern storage facilities and air freight services have been expanded at airports. Finally, the nature of food merchandizing is rapidly maturing with the growing focus on retail promotions.

## Some Bright Spots for U.S. Bulk and Intermediate Products

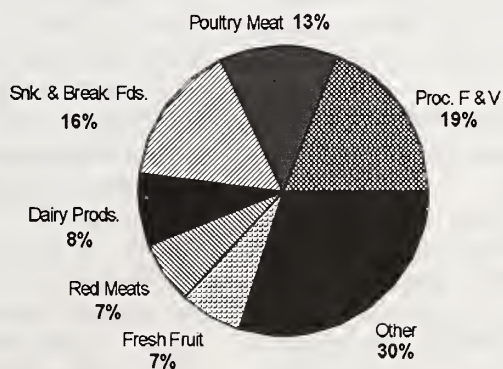
U.S. bulk commodity exports peaked at \$338 million in 1987. Although the United States remains the dominant supplier of bulk commodities, U.S. sales have fallen nearly 50 percent from their record 1987 level. This is due to Saudi agricultural policies and increased competition from various countries. High guaranteed prices and various production subsidies for wheat have created large surpluses in the Kingdom. However, recent policy changes are expected to reduce both wheat exports and barley imports.

U.S. barley and feed corn shipments made up nearly half of U.S. bulk sales in 1992. The Saudi barley crop was larger in spring 1993, and barley

Profile of U.S. Exports to Saudi Arabia



U.S. Consumer Food Sales, 1992



imports have declined substantially. Due to increased competition from Canada and the EC, the U.S. share of the barley import market has fallen. However, U.S. suppliers of corn continue to dominate the market, although there is increasing competition from Argentina and China. At just over \$100 million in 1992, rice exports account for most of the remaining U.S. bulk sales. However, competitive prices for Thai rice and a preference by some shoppers for certain Asian varieties supplied by India and Pakistan make it difficult to increase U.S. market share.

Despite recent record sales of U.S. intermediate products valued at \$161 million in 1991, the U.S. share of the total import market in this product category is only ten percent. Turkey, the EC and Australia are the major suppliers of intermediate products. Soybean meal, planting seeds, dairy cattle genetics, corn and sunflower oil and beverage bases account for most U.S. intermediate product exports.

High domestic price supports and other subsidies erode U.S. grain sales and dampen U.S. beef and poultry meat sales. However, these same factors support U.S. sales of animal feed ingredients and livestock genetics. India is the dominant supplier of oilseed meal, but the United States accounts for 12 percent of the Saudi import market. U.S. beverage bases reached a record \$18 million in 1991 and 1992, due in part to the growth of the fast food industry.

## **Fierce Competition in the Growing Consumer Foods Market**

Saudi imports of consumer foods totaled \$2.3 billion in 1992, up over 50 percent from 1986. After a downturn in the mid-1980s, U.S. sales climbed from \$72 million in 1987 to \$122 million in 1992. The U.S. share of the Saudi

import market has remained fairly stable at five to eight percent in recent years. U.S. suppliers maintain a strong presence in the fast food business, and play a modest but potentially growing role in the markets for retail grocery and further-processed foods. The latter two end-markets are dynamic and offer increasing opportunities for new sales. In the retail trade, there are now more than 125 supermarkets in urban areas and the number of hypermarkets and 24-hour convenience stores are steadily rising.

The local packaging and processing industry is growing, and real competition from locally-processed foods now exists. Local packaging and processing firms produce a variety of fruit juices, breakfast cereals, bakery products, ice cream and other dairy products, and some processed meats. Joint ventures for bakery products, processed meats and other items are already operational and their sales are growing. The third end-market, the food service industry, is also important with fast food outlets constituting the fastest growing segment.

U.S. suppliers have captured a large portion of the market in some product areas and others are showing good growth, even though Saudi shoppers often pay more for many U.S. products. However, the EC continues to dominate the overall market for consumer foods. Its share of the Saudi import market has risen from 42 to nearly 50 percent since 1984. Lower transportation costs, heavy production and export subsidies, an ability to supply a large variety of high-quality products and strong product promotion activities help ensure a very strong EC presence.

The EC is especially strong in red meats and poultry, dairy products, fresh and processed fruits and juices, jams, bakery foods and confectioneries. Australia, Brazil and Turkey complete

the list of the top five suppliers. Australia and Brazil are major suppliers of red meats and poultry, respectively. Turkey is strong in vegetables and nuts.

In 1992, the United States supplied about one-third of the total import market for tree nuts, and accounted for one-quarter of the processed fruits and fruit juices market. U.S. nut sales totaled \$7.6 million in 1992, with shelled almonds and in-shell hazelnuts accounting for virtually all sales. Some almonds, both whole and sliced, are further-processed into local bakery items. Blue Diamond and Golden West Nuts shipped salted and flavored nuts valued at \$312,000 in 1992. The major processed fruits were canned fruit cocktails (\$2.2 million), Sun Diamond raisins (\$1.3 million), Gerber and H J Heinz baby foods (\$600,000) and purees and jams (\$430,000) from American Foods. U.S. fruit juices totaled \$2.3 million in 1992, with orange and grapefruit juices accounting for 40 percent of the total. With respect to juice-flavor drinks, Kraft General Foods has achieved notable success with Tang®. During the first nine months of 1993, Kraft exported just over 140 20-foot containers of this powdered juice drink. Quaker Oats' Gatorade Thirst Quencher® is also present in the Kingdom.

Although the Europeans dominate the Saudi import market for snack foods, U.S. snack food companies have enjoyed strong sales in recent years. The popularity of U.S. breakfast foods is also growing. U.S. snack food exports rose from \$6 million in 1988 to a record \$12.9 million in 1991, and exports are expected to reach \$13.8 million in 1993. The Saudis prefer sweet snack foods, but niche markets also exist for salty snacks like corn chips, popcorn and cheese-flavored puffed snacks. In 1992, U.S. exports of bakery goods (including biscuits and cake mixes) and confectioneries totaled



\$8.7 million. European chocolate sales alone totaled \$35 million. The major U.S. supplier of cake mixes and frostings is General Mills, and the Cheesecake Factory and S H Bates sell frozen cheese cakes and biscuits for ice cream sandwiches. U.S. breakfast food exports rose from \$6.3 million in 1988 to a record \$10.2 million in 1991, and exports are expected to reach \$11.7 million in 1993.

## Some Changes in Consumer Purchasing Behavior Expected

Saudi Arabia is known for its cultural stability. However, with constant exposure to western culture, young Saudis, especially those living in urban areas, are very interested in western habits and slowly changing their lifestyles. Still, the traditions of family and religion in daily life remain deeply rooted in Saudi culture. Strict prohibitions on pork and alcohol remain in place, and all meats must come from animals slaughtered according to Islamic tradition. At home, eating habits remain conservative but are changing slowly.

With the exception of certain snack foods, the growth in sales to Saudi shoppers of retail convenience foods like frozen entrees and foods sold in smaller portions is not expected to rise rapidly. Although a trend toward smaller households is evident among Saudi families, the rapid move toward smaller households and two-income families so evident in western Europe and East Asia does not exist in the Kingdom. Only five percent of Saudi women work--a situation not expected to change soon. The demand for convenience foods is likely to be greater among expatriate households, where the proportion of working women is considerably larger.

The retail food sector remains a mainline, general grocery-type market.

Saudi shoppers have become increasingly quality and price conscious, and a growing interest in new products often translates into a greater demand for western-style foods. More interest in healthful and dietetic foods is also evident. Change is underway in eating habits away from home. The country's population is 17 million. With the grand opening of the first McDonald's in Riyadh this month, every major U.S. fast food franchise is now represented in the Kingdom.

In the 1990s, the main target group for new-to-market, retail consumer foods is young Saudis in their mid-teens to late twenties. With an annual population growth rate of nearly four percent, one of the highest in the world, the proportion of young people in the population will swell. Not to be forgotten, there is a very large expatriate work force (nearly 30 percent of the Kingdom's population) from many countries, especially South and Southeast Asia. In the 1990s, an increasing number of expatriates are accompanied by their families. Except for rice and certain ethnic foods, the expatriate community tends to have little or no brand loyalty. Price and quality are often decisive factors when choices are made.

## Retail Food Merchandising Matures

Competition between foreign and local products in the Saudi retail food market has intensified during the past few years. Advertising and all other promotion activities are now commonplace and must be supported on a regular basis. Consumer market research is also being undertaken. This activity signals a fundamental and permanent shift to a more mature system of food merchandising. Marketing strategies that include some advertising and occasional trade seminars in hotel conference rooms are

no longer sufficient.

Suppliers must now be willing to support well organized media advertising, in-store promotions and product sampling activities. With respect to advertising, print media is still the most common vehicle, accounting for about three-fourths of total advertising costs in the Kingdom, but television is the fastest growing area. Consumers pay a lot of attention to in-store promotions, especially if they include some kind of purchasing incentive. Appropriate and effective product labeling requires attention to language, colors and images. With respect to Saudi importers, after sales service is important and requires constant attention from suppliers.

Foreign competitors are increasingly active in the promotion area, whereas U.S. suppliers have been conspicuously absent. Few American products, for example, are advertised on television. Every month, trade missions led by officials from EC countries, China, South Korea and others are present, and many countries regularly organize a strong presence at food shows. The Australian and New Zealand meat boards are extremely active. Their point-of-sale display materials, which appear regularly in supermarkets, encourage shoppers to try lamb from Australia or dairy products from New Zealand. EC countries have also undertaken large-scale, in-store promotions. Changes in retailing and promotion offer U.S. exporters an opportunity for sales expansion in a market traditionally dominated by the EC.

*For more information on exporting to Saudi Arabia, contact: Mr. David Culver, the Agricultural Trade Officer in Riyadh at (966-1) 488-3800, ext. 560 (telephone) or (966-1) 482-4364 (fax); or Ernest Carter in Washington at (202) 720-2922.*

# U.S. Agricultural Exports by Commodity Type to SAUDI ARABIA

Calendar Years 1988 to 1993 and Year-to-Date Comparisons

(thousands of dollars)

Product	Calendar Years					January-October		%
	1988	1989	1990	1991	1992	1992	1993	
<b>BULK COMMODITY TOTAL</b>								
Wheat	249,094	217,331	220,971	208,243	183,652	156,050	160,640	2.9
Coarse Grains	38,789	409	48	204	202	189	144	-23.8
Rice	108,530	127,663	131,455	129,119	77,987	77,983	77,439	-0.7
Soybeans	100,326	86,086	87,318	75,606	101,911	74,966	80,623	7.5
Cotton	0	0	30	0	5	5	31	520.0
Tobacco	5	82	0	120	133	133	68	-48.9
Pulses	0	1,106 *	17	0	0	0	0	
Peanuts	228	1,189	853	1,537	1,577	1,231	1,129	-8.3
Other Bulk Commodities	36	480	496	972	905	656	723	10.2
	1,179	316	755	685	932	887	483	-45.5
<b>INTERMEDIATE TOTAL</b>	102,995	127,145	145,826	161,226 *	154,259	135,859	100,337	-26.1
Wheat Flour	0	5	3	9	0	0	0	
Soybean Meal	44,736 *	38,984	38,512	30,478	37,481	32,960	43,296	31.4
Soybean Oil	51	24	1,366	13	105	70	28	-60.0
Other Vegetable Oils	25,451	28,187	41,807	45,812 *	39,342	33,021	27,524	-16.6
Feeds & Fodders (Excl. Pet Foods)	290	420	641	221	629	348	637	83.0
Live Animals	1,711	815	1,139	1,100	3,129	3,007	3,591	19.4
Hides & Skins	44	62	0	104	10	10	0	
Animal Fats	225	75	0	508 *	8	8	15	87.5
Planting Seeds	17,882	53,268	58,991	62,421 *	53,217	51,199	10,316	-79.9
Sugars, Sweeteners & Bever. Bases	7,161	963	857	17,688 *	17,124	12,896	12,349	-4.2
Other Intermediate Products	5,445	4,343	2,511	2,871	3,212	2,341	2,582	10.3
<b>CONSUMER-ORIENTED TOTAL</b>	75,621	88,395	113,843	131,068	121,996	93,939	99,170	5.6
Snack Foods (Excl. Nuts)	6,058	7,645	6,867	12,879	11,395	9,286	10,836	16.7
Breakfast Cereals & Pancake Mix	6,347	5,615	9,183	10,176 *	8,854	6,928	10,729	54.9
Red Meats, Fresh/Chilled/Frozen	4,606	4,915	7,881	8,227	7,443	6,050	5,519	-8.8
Red Meats, Prepared/Preserved	3,309	1,831	3,199	2,041	1,416	1,223	1,270	3.8
Poultry Meat	3,296	3,364	9,704	17,233	16,299	13,275	14,403	8.5
Dairy Products	1,890	2,150	1,268	4,765	9,615 *	5,836	5,453	-6.6
Eggs & Products	5	12	3	113	329	294	53	-82.0
Fresh Fruit	8,579	8,808	16,674	17,929	8,660	4,017	6,737	67.7
Fresh Vegetables	15	215	126	124	196	131	127	-3.1
Processed Fruit & Vegetables	7,179	15,157	18,689	23,806 *	23,173	18,480	17,612	-4.7
Fruit & Vegetable Juices	3,709	2,259	2,485	2,394	2,261	1,838	1,451	-21.1
Tree Nuts	4,957	6,577	5,044	7,035	7,625	6,112	4,339	-29.0
Wine and Beer	2,213 *	395	0	39	73	73	175	139.7
Nursery Products & Cut Flowers	901	378	56	329	557	536	506	-5.6
Pet Foods	279	197	198	147	461	354	199	-43.8
Other Consumer - Oriented Products	22,279	28,878	32,465	23,828	23,638	17,570	18,483	5.2
<b>AGRICULTURAL TOTAL</b>	427,710	432,871	480,640	500,537 *	459,907	385,848	360,147	-6.7

Note: (\*) Denotes highest export level since at least 1970.



# Product Spotlight: Whiskey

Facing declining sales domestically, U.S. whiskey distillers continue to look overseas for growth. Last year's record \$237 million in export shipments represented a 13-percent gain from 1991 and an important offset to a 7-percent decline in domestic sales. Much of this growth overseas is due to stepped up U.S. whiskey promotions that appeal to young adults who are looking for new alternatives to traditional spirits such as scotch and brandy. Continued record exports approaching \$300 million are expected through the mid-1990s as demand in Japan, the top market, recovers from a recession-induced slump, and promotion efforts in fast rising European markets intensify.

While the great majority of U.S. whiskey exports are comprised of popular brands including Jack Daniel's and Early Times, U.S. exporters report robust growth across a broad range of products, including premium small batch and single barrel bourbons, such as Blanton's, Makers Mark, and Evan Williams. In addition to offering a smooth taste and high alcohol content, Kentucky bourbons and Tennessee whiskies are increasingly considered fashionable drinks with cachet value in many foreign markets.

Although Japan continued as the largest market in 1992 with sales of \$91

million, nearly all the growth last year was to smaller markets led by Germany (up 25 percent to \$34 million), Australia (up 24% to \$27 million), and the United Kingdom (up 95% to \$16 million). As industry marketing efforts expand to include new markets, U.S. whiskey exports are expected to continue to diversify in 1993. In fact, the share of sales accounted for by the top four markets is expected to fall to a record low 67 percent, down from 82 percent in 1988. Some of the smaller but fastest rising markets include New Zealand (with U.S. whiskey exports expected to grow by one-third in 1993 to \$6 million), Venezuela (up 50 percent to \$5 million), and Taiwan (up 40 percent to \$4 million).

## Growth Potential to Japan Remains Strong

As Japanese incomes grew rapidly through the 1980's, so did consumer tastes for premium quality imported spirits. Today, Japan is second only to the United States in total distilled spirit imports, with \$1.3 billion in sales in 1992, well ahead of Germany, the second largest at \$800 million. U.S. spirits, while small as a share of the total, continue to grow in importance in Japan with sales last year up almost threefold since 1988, while total Japanese spirit imports doubled during the same period.

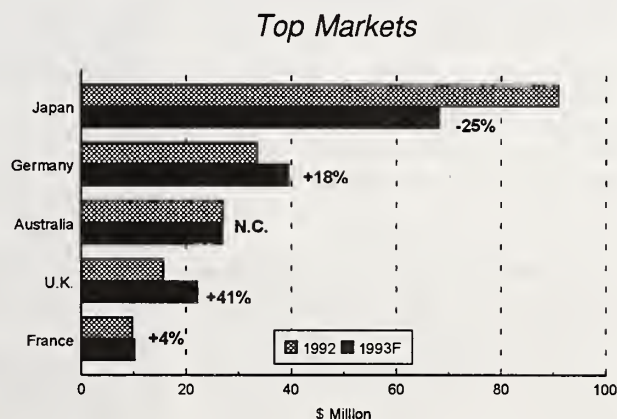
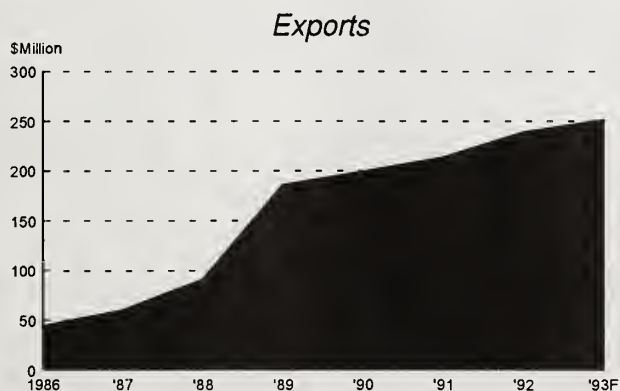
Most sales to Japan are Kentucky bourbon consumed away from home in hotels, restaurants, and clubs, including "bourbon bars" which have become popular after work for the young and affluent Japanese. Recession in late 1992 and 1993 resulted in building stocks and lower imports; sales this year through October are down 27 percent from the same period in 1992. However, U.S. exporters report the market may be on the rebound. In fact, most of this year's loss occurred in the first quarter; sales in the second and third quarters are up 11 percent from 1992.

Many U.S. whiskey exporters suggest Japan offers strong growth potential since, despite rising shipments, bourbon still lags far behind Scotch as the imported whiskey of choice. In 1992, United Kingdom Scotch accounted for almost 80 percent of total Japanese whiskey imports, roughly unchanged from 1988. U.S. bourbon exporters hope to gain share in Japan by targeting young adults with TV and print promotions that position bourbon as a more fashionable drink than local and European whiskies.

## Record Exports to Europe Expected to Continue

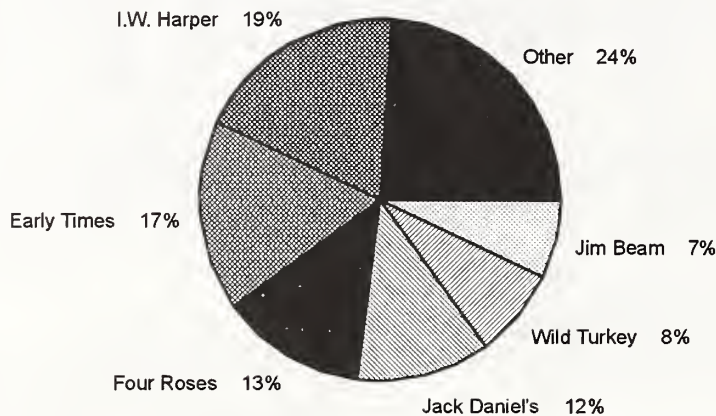
U.S. whiskey exports to the European Community are forecast to reach a

### U.S. Whiskey Exports Forecast to Reach Record \$250 Million in 1993





## I.W. Harper is Top Selling U.S. Whiskey to Japan So Far in 1993



*Share of Exports through October (9.83 mill. liters)*

Source: FAS analysis of Journal of Commerce (PIERS) data

whiskey sales to Taiwan are brands created specifically for the Taiwanese market, such as Heaven Hill's Old 1889 Royal Bourbon. Sales to Taiwan continue to rise despite import licensing requirements and a 50% import duty on all spirit imports. A growing interest in Western culture and genuine U.S. products in Taiwan is contributing to the sales gains. U.S. exporters are expanding promotions of Kentucky bourbon in order to distinguish it from competing whiskeys, particularly scotch which commands a 95-percent share of Taiwan whiskey imports. Whiskey sales are expected to receive an added boost from Taiwan's accession to GATT rules, which should remove import licensing and reduce tariffs on imported spirits by the mid-1990s.

record \$100 million in 1993, up from \$23 million in 1988. This gain is expected to allocate across a number of single-country European markets, with record sales forecast to Germany, the United Kingdom, France, Spain, the Netherlands, Italy, and Greece.

Much of the growth to Europe in recent years is accounted for by rising sales of Jack Daniel's Tennessee Whiskey. In Germany, Jack Daniel's and other U.S. whiskeys are most popular among young adult males, who desire spirits other than the more traditional korn, brandy, and Scotch whiskey. U.S. whiskey now accounts for a record 27 percent of German whiskey imports, up from 13 percent in 1986. During the same period, the scotch share of German whiskey imports fell from 76 to 63 percent.

Jack Daniel's strength in the United Kingdom is also due to strong demand from young adult males, who are increasingly asking for "a bottle of Jack" at retail. Promotions that link the product to a U.S. biker lifestyle are particularly appealing to these

consumers. Similar to whiskey consumption trends in Germany, rising U.S. whiskey sales in the U.K. are partially at the expense of Scotch whiskey. While U.S. whiskey sales in the U.K. have doubled during the past three years, consumption of Scotch has fallen by 10 percent.

### Sales to Taiwan Rise Despite Trade Barriers

Unlike other export markets, most U.S.

For more information, contact Mike Woolsey at (202) 690-0553.

### Market Promotion Program Helps Build Foreign Markets for U.S. Whiskey

To assist U.S. exporters with foreign market development, USDA provides funds under the Market Promotion Program (MPP), formerly the Targeted Export Assistance (TEA) Program. Funds for Kentucky bourbon and Tennessee whiskey promotions are administered through the Kentucky Distillers Association (KDA), with most activities in important markets such as Japan, the EC and Australia. These promotions are successfully working to counter a strong tradition of scotch whiskey consumption in foreign markets. Since fiscal 1990, KDA allocations under TEA and MPP averaged \$3 million per year, with exports rising \$60 million during the same period.

# Trade Policy Updates

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## **Israel Meat Import Privatization Effort Reversed by the Government**

Recently the government of Israel decided to cancel its much-awaited meat liberalization plans, and revert to being the sole provider of meat in Israel. However, this move will have to be approved by the Knessett, where several of its members vehemently oppose this decision. This ruling comes at an inopportune time for the U.S. livestock industry, because initial orders for high quality American beef (HQB) have already been placed and other importers have expressed strong interest in first-ever purchases. According to some sources, the government would have a difficult time obtaining approval for this legislation because it has to go before a legal committee that is chaired by an influential member whose business interests are in the beef trade. Until the Knessett's legal committee approves, the Israeli supreme court decision to liberalize meat imports stands.

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## **Japanese Prime Minister Hosokawa Acquiesces to GATT Demands On Rice Imports**

After winning support from Socialist leader Murayama, Prime Minister Hosokawa accepted the GATT Uruguay Round proposal for a limited market opening on rice. Hosokawa declared: "If Japan had rejected this plan, the Uruguay round would have collapsed and our country would have become the target of world criticism." The GATT proposal, actually worked out between Tokyo and Washington a couple of months ago, calls for imports beginning at 4 percent of consumption in 1995, rising to 8 percent by 2000, with new talks starting in 1999 on whether to go for full tariffication or, still larger quotas in 2001.

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## **Japanese Test Results of Emergency Imported Rice From the United States**

The test results of pre-shipment samples of U.S. rice have been completed by the Japanese government and were found to have no food health or sanitation problems. Ordinarily pre-shipment samples are taken by the government of the exporting country at the time that the shipment is loaded and mailed via air to Japan. Tests are then conducted by the GOJ on 63 items, including agricultural chemicals used in Japan and/or the exporting country. These test results are then used as a reference when the actual shipment arrives in Japan. Upon arrival of the actual shipment, the GOJ will then take another sample from the shipment in order to conduct another comparative test. After the test, the GOJ will then approve (or disapprove) entry of the rice if the results prove that the imported rice "meets Japanese food sanitation standards". The first shipment of rice from the U.S. arrived in Japan on Dec. 13, 1993.

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## **Imported Horsemeat**

Post reports that French Veterinary Services (FVS) have blamed the recent trichinosis outbreak in France, which has hospitalized up to 60 people, on fresh imported horsemeat from the United States, Argentina, or Canada. (FVS did not explain how they had determined that imports rather than domestic products were to blame.) As a result, the French are doing 100 percent checks on shipments of fresh horsemeat from those countries, but have not banned or stopped shipments from them. French Veterinary officials have assured U.S. Embassy officials that shipments found to be free of *Trichinae* will be released promptly.

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## **U.S.-EU Policy-Level Discussions on TCD Agreement Prove Productive**

On December 9, the United States and the European Union (EU) policy-level delegations met in Brussels to assess progress in the implementation of the Third Country Meat Directive (TCD) Agreement which was signed in November 1992. The two sides reviewed the remaining outstanding issues and made commitments which should address these issues. The EC committed to incorporate the concept of equivalency into the TCD and will amend its internal instructions to EC veterinary inspectors to reflect commitments made in the agreement. Both of these items were of critical interest to the United States. The group also agreed to meet again in late May-early June to assess additional progress, and that the target implementation date could be extended until Dec. 31, 1994, if necessary. Both sides agreed that interim measures will continue until the agreement is fully implemented.

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# Market Updates

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## **Argentina Protests Recent Canadian Wheat Sales to Brazil**

Government of Argentina (GOA) officials have been complaining publicly about recent Canadian wheat sales to Brazil and are requesting that Brazil assess an extra import duty on imported wheat from Canada. GOA believes last month's reported 1.5 million ton sale of Canadian wheat to Brazil could not have been accomplished without some form of subsidy by Canada. Meanwhile, the Canadian Wheat Board (CWB) has stated that despite the complaints from GOA it will continue to pursue the Brazilian market and would officially protest any extra import duties placed on Brazil's imports of Canadian wheat. Last year, GOA influence was pivotal in Brazil's decision to impose additional duties on U.S. wheat imported under the EEP.

## **China Exports Rice to Japan for First Time**

For the first time in the post-World War II era, Chinese rice has been shipped in significant quantity to Japan. This shipment of 3,000 tons of glutinous rice was part of the initial 200,000 tons of emergency imports that Japan announced on September 30. China has been expanding its presence as an exporter in the world market, quadrupling its exports over the last five years. Currently forecast to export 1.4 million tons in CY 1994, China is expected to supply 300,000-400,000 tons of medium grain and glutinous rice to Japan in 1994, primarily for use in processing and sake production.

## **U.S. Seafood Exports to Mexico Up Sharply**

U.S. exports of edible fish products to Mexico for the first 9 months of 1993 have jumped 62 percent to \$24.7 million. A key factor stimulating trade appears to be the growing Mexican tourism sector where the demand for upscale, health-oriented "center of the plate" items is mounting. Other factors include growth in Mexico's general economy and increasing personal income. Important U.S. seafood items currently shipped to Mexico include high value East Coast marine products such as American lobster and scallops. Trade is expected to increase with lower Mexican tariffs as a result of the NAFTA. FAS-sponsored programs to assist East Coast fish exporters are carried out through EUSAFEC in cooperation with the American Seafood Institute, the State of New York, and the State of New Jersey.

## **Algeria, World's Largest Durum Importer, Faces Tight World Supplies**

Algeria, which normally imports about 2 million tons of durum wheat and semolina, is struggling to locate supplies. North American supplies are down, and world prices are up, but the larger problem for Algeria is that Italy--previously an important supplier to the Algerian durum market--has this year virtually abandoned it to keep internal EC prices stable. The EC has issued only about 300,000 tons of export licenses for durum and semolina, compared to 2.2 million tons this time last year.

## **Saudi Arabia Returns to the World Barley Market**

After more than a year's absence, Saudi Arabia is shaking up the world's barley market. On December 7, the Saudi's tendered for 600,000 to 700,000 tons of barley, on an optional origin basis excluding the U.S. Most of the purchases will come from the EC and Canada, with perhaps limited quantities from Australia. Although Saudi Arabia is the world's largest importer of barley, it has shifted its grain production policy to shift land from wheat to barley. Higher domestic barley production, along with better than average forage supplies, have allowed the country to meet its feed supplies from its own resources for most of the past year. .

## **Horticultural Products Set Export Record**

For the ninth consecutive year, U.S. horticultural exports surged to a record high in fiscal year 1993, with the value of total exports rising 5 percent to total nearly \$7.3 billion. Increased exports to Mexico, Canada, and Japan more than offset a modest 2-percent decline to the European Community, which had experienced bumper deciduous fruit crops. Commodities contributing significantly to the export increase included fresh oranges, fresh and processed vegetables, frozen french fries, hops, and ginseng (formerly classified as a tropical product).



## ...Market Updates

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### **Prospects Blossoming for Fruitful Horticultural Trade Under NAFTA**

NAFTA's recent passage will help sustain the growth of U.S. horticultural exports to Mexico and Canada recorded during the past several years. Collectively, these markets accounted for about 37 percent of total U.S. horticultural export value, estimated at \$7.3 billion for the recently completed fiscal year. Trade with Mexico soared to \$343 million in FY1993, despite phytosanitary and other technical problems on certain fruits and vegetables. With the implementation of NAFTA's Schedule "A" tariff cuts on Jan. 1, 1994, numerous U.S. horticultural items will enter Mexico duty-free. Among the categories are: 1) tree nuts; 2) smaller sized onions and shallots; 3) garlic; 4) strawberries; 5) seasonal shipments of grapes (Oct 15-May 31), cherry tomatoes (Dec 1-Apr 30) and head lettuce (Jun 1-Oct 31); and, 6) bundled cut flowers.

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### **U.S. Corn Exports to Central America Drop**

U.S. corn exports to Central American will drop significantly due to discriminatory tariffs resulting from the use of a price band mechanism adopted by many countries in the region. Under the price band mechanism, corn is charged a 20 percent tariff, whereas feed wheat is only charged a one percent tariff, which is causing the direct displacement of U.S. corn by feed wheat. Both Guatemala and Honduras have recently been importing Canadian feed wheat, and El Salvador may soon start purchasing Canadian feed wheat as well. Most Central American feed manufacturers are sufficiently modern enough to make the necessary adjustments to use wheat in animal feed.

# U.S. Agricultural Exports by Commodity Type

Calendar Years 1988 to 1993 and Year-to-Date Comparisons  
(thousands of dollars)

Product	Calendar Years					January-October		%
	1988	1989	1990	1991	1992	1992	1993	
<b>BULK COMMODITY TOTAL</b>	20,340,369	22,813,257	20,232,083	18,348,386	19,687,248	15,992,222	15,026,236	-6.0
Wheat	4,890,724	5,886,505	3,839,037	3,292,138	4,449,324	3,666,563	3,844,517	4.9
Coarse Grains	5,891,340	7,738,137	7,036,717	5,722,597	5,736,599	4,649,755	4,045,379	-13.0
Rice	803,764	971,123	801,527	753,557	726,072	590,538	640,553	8.5
Soybeans	4,890,661	3,942,468	3,549,508	3,956,443	4,380,402	3,453,696	3,596,568	4.1
Cotton	1,992,007	2,268,501	2,798,495	2,491,999	2,010,338	1,713,038	1,257,787	-26.6
Tobacco	1,252,772	1,301,173	1,441,116	1,427,631	1,650,559 *	1,327,772	1,069,418	-19.5
Pulses	240,667	298,404	353,111	268,414	191,656	153,982	166,335	8.0
Peanuts	155,518	192,670	203,373	180,304	240,308	186,669	164,195	-12.0
Other Bulk Commodities	222,916	214,275	209,199	255,304	301,989	250,210	241,485	-3.5
<b>INTERMEDIATE TOTAL</b>	9,012,700	8,645,875	8,573,907	8,789,224	9,231,134 *	7,675,544	7,265,525	-5.3
Wheat Flour	192,737	257,937	182,956	184,256	184,317	150,278	182,166	21.2
Soybean Meal	1,579,032	1,212,295	1,005,103	1,155,307	1,294,722	1,067,956	901,019	-15.6
Soybean Oil	476,970	358,723	312,930	222,126	376,202	331,343	286,438	-13.6
Other Vegetable Oils	428,943	423,994	394,790	418,144	502,732	428,656	431,632	0.7
Feeds & Fodders (Excl Pet Foods)	1,629,983	1,596,995	1,572,369	1,605,732	1,722,327 *	1,456,939	1,443,053	-1.0
Live Animals	606,201	490,501	513,783	686,563 *	607,891	498,385	357,682	-28.2
Hides & Skins	1,826,493 *	1,696,164	1,729,731	1,357,570	1,326,054	1,130,823	1,065,217	-5.8
Animal Fats	559,145	510,153	428,729	426,824	515,214	423,061	409,674	-3.2
Planting Seeds	423,528	510,214	588,723	671,655	675,011 *	511,748	479,041	-6.4
Sugars, Sweeteners, & Beverage Bases	289,637	409,198	572,052	634,101	573,921	469,663	464,040	-1.2
Other Intermediate Products	1,000,030	1,179,702	1,272,743	1,426,946	1,452,744 *	1,206,693	1,245,563	3.2
<b>CONSUMER - ORIENTED TOTAL</b>	7,741,635	8,379,789	10,465,615	11,967,920	13,895,994 *	11,496,191	12,217,572	6.3
Snack Foods (Excl Nuts)	282,234	364,429	530,125	633,040	829,679 *	668,836	808,853	20.9
Breakfast Cereals & Pancake Mix	59,069	91,881	157,882	216,802	219,762 *	172,514	212,340	23.1
Red Meats, Fresh/Chilled/Frozen	1,852,839	2,213,602	2,394,495	2,660,267	3,112,361 *	2,597,896	2,545,544	-2.0
Red Meats, Prepared/Preserved	118,679	100,638	135,998	165,101	181,562 *	146,350	169,932	16.1
Poultry Meat	458,117	509,426	672,888	817,913	928,464 *	746,936	870,646	16.6
Dairy Products	578,281	430,741	328,053	462,956	793,754 *	651,225	691,143	6.1
Eggs & Products	117,193	90,685	101,979	143,367	139,234	113,987	114,467	0.4
Fresh Fruit	1,093,196	1,134,657	1,486,489	1,561,053	1,683,344 *	1,452,770	1,426,289	-1.8
Fresh Vegetables	319,584	356,015	728,648	832,935	899,624 *	738,013	831,146	12.6
Processed Fruit & Vegetables	855,922	1,003,616	1,246,753	1,394,490	1,558,121 *	1,294,880	1,351,311	4.4
Fruit & Vegetable Juices	271,030	291,248	375,497	385,414	461,017 *	401,501	402,897	0.4
Tree Nuts	751,201	683,332	801,120	867,704	928,531 *	757,190	759,768	0.3
Wine and Beer	151,763	206,095	266,202	315,756	369,181 *	305,966	326,352	6.7
Nursery Products & Cut Flowers	83,797	104,887	186,741	201,442 *	201,321	172,102	178,955	4.0
Pet Foods	133,563	175,539	244,038	329,772	399,630	323,238	403,277 *	24.8
Other Consumer - Oriented Products	615,166	622,997	808,706	979,907	1,190,410 *	952,787	1,124,651	18.0
<b>AGRICULTURAL TOTAL</b>	37,094,704	39,838,921	39,271,605	39,105,530	42,814,376	35,163,958	34,509,333	-1.9

Note: (\*) Highest export level since at least 1970.

# U.S. Agricultural Exports by Major Commodity Group

## Monthly and Annual Performance Indicators

Export Values	October			Fiscal Year		
	1992	1993	Change	1993	1994(f)	Change
	—\$Billion—			—\$Billion—		
Grains and Feeds 1/	1.309	1.233	-6%	14.332	13.6	-5%
Wheat & Flour	0.479	0.368	-23%	4.954	3.9	-21%
Rice	0.070	0.078	11%	0.768	1.1	43%
Coarse Grains 2/	0.419	0.458	9%	5.094	5.1	0%
Corn	0.354	0.407	15%	4.251	4.1	-4%
Feeds & Fodders	0.209	0.201	-4%	2.196	2.2	0%
Oilseeds and Products	0.857	0.758	-12%	7.371	7.3	-1%
Soybeans	0.570	0.487	-15%	4.606	4.5	-2%
Soybean Cakes & Meals	0.118	0.099	-16%	1.146	1	-13%
Soybean Oil	0.046	0.050	8%	0.327	0.4	22%
Other Vegetable Oils	0.041	0.050	24%	0.496	NA	NA
Livestock Products	0.573	0.503	-12%	5.886	6.2	5%
Red Meats	0.283	0.250	-12%	3.052	3.3	8%
Hides & Skins	0.109	0.098	-10%	1.271	1.3	2%
Poultry Products	0.121	0.137	14%	1.315	1.4	6%
Poultry Meat	0.088	0.110	26%	0.994	NA	NA
Dairy Products	0.109	0.071	-35%	0.891	0.9	1%
Unmanufactured Tobacco	0.135	0.084	-38%	1.443	1.3	-10%
Cotton and Linters	0.084	0.102	21%	1.538	1.7	11%
Planting Seeds	0.063	0.042	-34%	0.664	0.7	5%
Horticultural Products	0.744	0.753	1%	7.299	7.6	4%
Sugar & Tropical Products	0.162	0.179	10%	1.715	1.8	0.05
Wood Products 4/	0.600	0.573	-5%	7.293	NA	NA
Fish and Seafood Products 4/	0.186	0.230	24%	2.928	NA	NA
Total Agriculture	4.157	3.862	-7%	42.454	42.5	0%
Total Agriculture, Fish and Wood	4.928	4.678	-5%	52.675	NA	NA

Export Volumes	--MMT--			--MMT--		
			Change			Change
Grains and Feeds 1/	9.402	8.681	-8%	104.149	NA	NA
Wheat	3.573	2.736	-23%	36.081	30.0	-17%
Wheat Flour	0.074	0.074	1%	1.067	1.1	3%
Rice	0.214	0.295	38%	2.713	2.8	3%
Coarse Grains 2/	4.188	4.340	4%	50.100	42.8	-15%
Corn	3.533	3.844	9%	41.766	34.5	-17%
Feeds & Fodders	1.108	1.029	-7%	11.885	11.8	-1%
Oilseeds and Products	3.611	2.800	-22%	29.408	25	-15%
Soybeans	2.667	2.003	-25%	20.400	17.1	-16%
Soybean Cakes & Meals	0.564	0.488	-13%	5.653	4.6	-19%
Soybean Oil	0.077	0.086	12%	0.644	0.6	-7%
Other Vegetable Oils	0.065	0.078	20%	0.824	NA	NA
Livestock Products 3/	0.280	0.255	-9%	2.811	NA	NA
Red Meats	0.085	0.076	-10%	0.903	1.0	11%
Poultry Products 3/	0.089	0.115	29%	1.012	NA	NA
Poultry Meat	0.085	0.112	32%	0.974	1.0	3%
Dairy Products 3/	0.044	0.046	2%	0.467	NA	NA
Unmanufactured Tobacco	0.023	0.016	-30%	0.231	NA	NA
Cotton & Linters	0.062	0.079	28%	1.163	1.3	12%
Planting Seeds	0.049	0.017	-65%	0.556	NA	NA
Horticultural Products 3/	0.441	0.465	5%	6.090	6.6	8%
Sugar & Tropical Products 3/	0.107	0.094	-12%	0.910	NA	NA
Total Agriculture 3/	14.11	12.57	-11%	146.80	130.0	-11%

1/ Includes pulses, corn gluten feed, and meal.

2/ Includes corn, oats, barley, rye, and sorghum.

3/ Includes only those items measured in metric tons.

4/ Wood products are not included in agricultural product value totals.

Note: FY 1993 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published 11/30/93.



# U.S. Agricultural Export Value by Region

## Monthly and Annual Performance Indicators

	October			Fiscal Year		
	1992	1993		1993	1994(f)	
	-\$Billion-		Change	-\$Billion-		Change
Western Europe	0.989	0.768	-22%	7.439	7.5	1%
European Community	0.927	0.718	-23%	6.964	7.0	1%
Other Western Europe	0.063	0.050	-21%	0.475	0.5	5%
Eastern Europe	0.052	0.041	-21%	0.465	0.4	-14%
Former Soviet Union	0.181	0.246	36%	1.435	1.2	-16%
Asia	1.420	1.371	-3%	15.866	16.4	3%
Japan	0.721	0.785	9%	8.430	8.9	6%
China	0.004	0.023	457%	0.317	0.3	-5%
Other East Asia	0.464	0.384	-17%	4.932	5.0	1%
Taiwan	0.201	0.156	-22%	1.998	2.1	5%
South Korea	0.169	0.135	-20%	2.041	2.0	-2%
Hong Kong	0.093	0.091	-2%	0.878	0.9	3%
Other Asia	0.231	0.179	-23%	2.187	2.2	1%
Pakistan	0.042	0.017	-59%	0.236	0.3	27%
Philippines	0.054	0.049	-9%	0.511	0.6	17%
Middle East	0.184	0.223	21%	1.856	2.0	8%
Israel	0.046	0.049	7%	0.363	0.4	10%
Saudi Arabia	0.056	0.062	10%	0.429	0.5	17%
Africa	0.269	0.166	-38%	2.593	2.5	-4%
North Africa	0.146	0.074	-50%	1.587	1.7	7%
Egypt	0.085	0.035	-60%	0.727	0.8	10%
Algeria	0.035	0.018	-47%	0.428	0.5	17%
Sub-Saharan Africa	0.123	0.093	-25%	1.006	0.8	-20%
Latin America	0.565	0.524	-7%	6.813	6.9	1%
Mexico	0.274	0.225	-18%	3.621	3.9	8%
Other Latin America	0.291	0.299	3%	3.192	3.0	-6%
Brazil	0.010	0.027	178%	0.231	0.2	-13%
Venezuela	0.052	0.038	-25%	0.498	0.4	-20%
Canada	0.419	0.434	4%	5.202	5.2	-0%
Oceania	0.035	0.046	31%	0.453	0.4	-12%
WORLD TOTAL . . .	4.157	3.862	-7%	42.454	42.5	0%

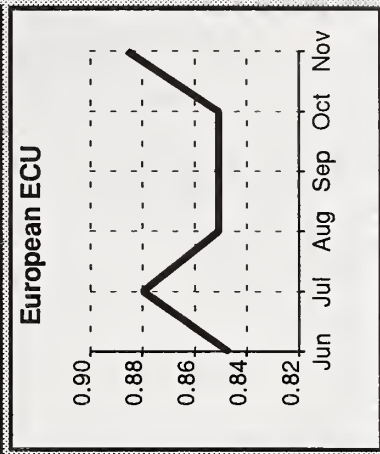
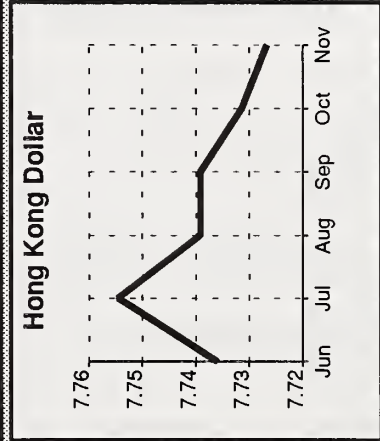
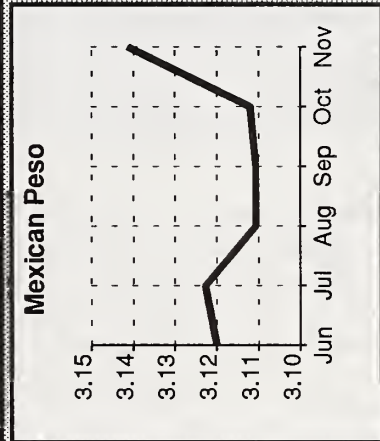
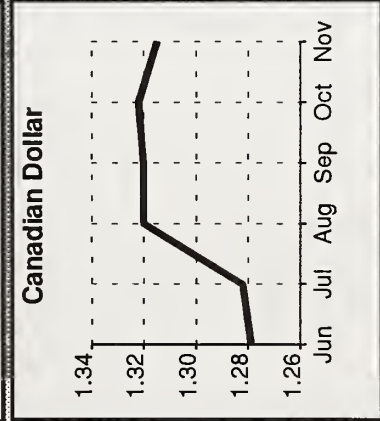
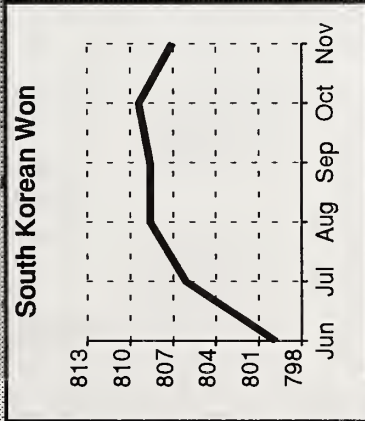
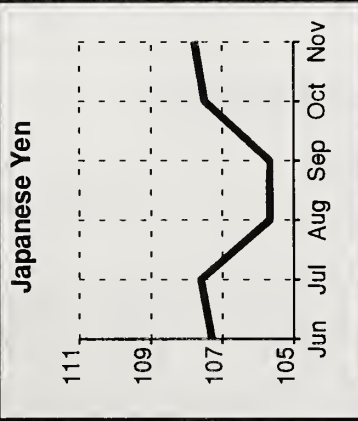
Note: FY 1994 forecasts are based on USDA's "Outlook for U.S. Agricultural Exports", published November 30, 1993.



# Exchange Rate Movements Of Major World Currencies Vis-a-Vis U.S. Dollar -- Daily Spot Quotations & Monthly Averages

Currencies	Current Rate 12/19/93	Month Ago 11/19/93	Year Ago 12/92	% Change Year Ago 12/92
Japanese Yen	.99	.99	.99	0.00
South Korean Won	1.4734	1.5221	1.4507	1.56
Canadian Dollar	261.90	193.73	106.31	146.35
Mexican Peso	1.3400	1.3198	1.2773	4.90
Hong Kong Dollar	7.7250	7.7250	7.7400	-0.19
European ECU	110.15	106.75	124.00	-11.17
-British Pound	3.11	3.22	3.11	0.00
-French Franc	26.28	26.86	25.21	4.24
-German Mark	810.40	805.90	791.00	2.45
Argentine Peso	.88441	.88269	.79936	10.63
Australian Dollar	.6723	.6716	.6376	5.44
Brazilian Cruzeiro real	5.8320	5.8760	5.3560	8.89
Japanese Yen	1.7065	1.6922	1.5680	8.83

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, December 19, 1993.  
Source: TEID/FAS Exchange Rate Database and Wall Street Journal.





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